Australian Bureau of Statistics

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Retirees choosing income streams over super lump sums

Retirees are increasingly choosing to access their superannuation through income streams rather than withdrawing lump sums, according to new analysis released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, the Program Manager of the ABS' Labour and Income Branch reported that almost 1.2 million people were receiving an income stream from their superannuation in 2013-14, at an average of $502 per week.

"Of that 1.2 million, about three quarters were aged 65 years or over and one quarter were between 55 and 64 (876,000 and 307,000, respectively)," said Mr Jarvis.

"This means just over one in four people aged 65 years and over (excluding those in nursing homes and retirement villages) were receiving a superannuation income stream in 2013-14, up from one in five in 2003-04."

Mr Jarvis also said that in 2013-14, 420,000 people reported they had withdrawn a lump sum from their superannuation in the previous two years. Half were for amounts less than $25,000.

"Three quarters of people used the lump sum to invest in their home, make other investments, buy or pay off a vehicle, or to pay off outstanding debts. For the other one quarter, the most commonly cited reasons were for holidays, followed by general living and medical expenses," said Mr Jarvis.

The number of people with some superannuation and the average value of their accounts have both grown in the 10 years to 2013-14.

In 2003-04, around two-thirds (64 per cent) of people aged 15 years and over, had superannuation. By 2013-14, this had risen to 71 per cent, with about 85 per cent of people aged 25 to 54 years having superannuation. For people with superannuation, the average value of their accounts increased in real terms from $68,000 to $110,000.

More details are available in the feature article, Superannuation in Australia, 2003-04 to 2013-14 (cat. no. 6523.0), available for free download from the ABS website: https://abs.gov.au.

Media notes:

- All estimates are in 2013-14 dollars. 2003-04 estimates have been adjusted using changes in the Consumer Price Index.
- Estimates are for people resident in private dwellings in Australia.
- Data are from the 2003-04 Household Expenditure Survey and the 2013-14 Survey of Income and Housing.

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